

Message Text

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PAGE 01 TEGUCI 01118 242103Z

62

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SUBJECT: CONTINUING LABOR PROBLEMS ON THE NORTH COAST

REF: (A) TEGUCIGALPA 0929, (B) TEGUCIGALPA A-25

SUMMARY: PROBLEMS BETWEEN THE TWO AMERICAN FRUIT COMPANIES AND THEIR UNIONS CONTINUE WITH NO SOLUTION IN SIGHT. WHILE ANGRY UNION ACCUSATIONS AGAINST THE COMPANIES ARE PUBLISHED ALMOST DAILY, REPRESENTATIVES OF THE TWO UNIONS (SITRATERCO AND SUTRAFSCO) ARE CONTINUING THEIR DISCUSSIONS WITH THE GOH BANANA COMMISSION. THE TEMPERS AND RHETORIC ARE ALSO HEATING UP ON BOTH SIDES OF THE DISPUTE BETWEEN FESITRANH (NORTH COAST LABOR FEDERATION) AND THE SAN PEDRO SULA MUNICIPAL GOVERNMENT. FESITRANH IS DEMANDING THAT THE CENTRAL GOVERNMENT REMOVE THE MUNICIPAL OFFICIALS AND IS THREATENING A PROGRESSIVE STRIKE OF AFFILIATED UNIONS IF THE DEMAND IS NOT MET. END SUMMARY.

1. THE PROBLEMS OUTLINED IN REF A BETWEEN THE TWO AMERICAN FRUIT COMPANIES AND THEIR UNIONS CONTINUE. WHILE IN TEGUCIGALPA ON MARCH 19 FOR A MEETING WITH THE GOH BANANA COMMISSION (NOW HEADED BY MINGOV COL. JOSE DE LA CRUZ HERNANDEZ) SITRATERCO SECGEN ODULIO CACERES AND SUTRAFSCO PRESIDENT NAPOLEON ACEVEDO INFORMED LABOFF THAT

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PAGE 02 TEGUCI 01118 242103Z

THEIR DIFFICULTIES WITH THEIR RESPECTIVE COMPANIES HAVE

NOT BEEN RESOLVED AND THAT THERE HAS BEEN NO POSITIVE GOH ACTION. SITRATERCO'S CACERES SAYS THAT UNITED BRANDS STILL INSISTS THAT IT IS INCAPABLE OF RETURNING TO A NORMAL WORK SCHEDULE. ALSO, THE LABOR MINISTRY HAS TAKEN NO ACTION ON THE COMPANY'S PETITION FOR ANOTHER 120 DAY WORK SUSPENSION, THEREBY ALLOWING THE COMPANY TO MAINTAIN WORKERS SUSPENDED AFTER THE EXPIRATION OF THE ORIGINAL 120 PERIOD. THE UNIONS BACKED DOWN ON THEIR 10 DAY ULTIMATUM TO LABMIN FONSECA FOR A DECISION (SEE REF A) ON THE UNITED PETITION IN THE BELIEF THAT FONSECA IS WORKING IN GOOD FAITH FOR A SOLUTION.

2. SUTRAFSCO PRESIDENT ACEVEDO SAID THAT THE SITUATION WITH STANDARD FRUIT REMAINS ESSENTIALLY UNCHANGED. THE COMPANY, ACCORDING TO ACEVEDO, IS CONTINUING TO DISMANTLE THE ISLETAS AREA INSTALLATIONS AND HAS NOW DISMATED THE BANANA PACKING HOUSE. HE ADDED THAT THE COMPANY HAS NOT YET PAID BACK WAGES TO THOSE EMPLOYEES AFFECTED BY THE RECENT LABOR MINISTRY DECISION ON THE COMPANY'S WORK SUSPENSION PETITION DATING FROM LAST OCTOBER. THE COMPANY IS, HE SAID, PAYING THE LEGALLY REQUIRED SEVERANCE PAY TO THE ISLETAS WORKERS. IN SPITE OF THE UNION CAMPAIGN REQUESTING THE WORKERS NOT TO ACCEPT PAYMENT PENDING GOH ACTION IN THEIR FAVOR, ACEVEDO SYAS ABOUT FIFTY PERCENT OF ELIGIBLE WORKERS HAVE ACCEPTED PAYMENT.

3. ACEVEDO AND CACERES MET WITH THE GOH BANANA COMMISSION ON MARCH 7, WITH THE HOPE THAT THE COMMISSION WOULD PROVIDE

A SOLUTION TO THEIR RESPECTIVE PROBLEMS. THE GOH, HOWEVER, HAS NO INTENTION OF REPLACING STANDARD AS THE EMPLOYER IN THE ISLETAS AREA. ON MARCH 21 LABMIN FONSECA INFORMED THE DCM THAT THE GOH IS CONSIDERING FORMING THE ISLETAS WORKERS INTO COOPERATIVES UNDER THE TERMS OF THE AGRARIAN REFORM LAW. FONSECA ADDED THAT STANDARD HAS AGREED IN PRINCIPLE TO PURCHASE THE COOPERATIVES' PRODUCTION IF THEY PRODUCE BANANAS. HE ALSO SAID THAT A DECISION ON THE UNITED BRANDS SUSPENSION PETITION IS NOT NEAR.

4. THE MARCH 19 TIEMPO CARRIED A LONG INTERVIEW WITH
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PAGE 03 TEGUCI 01118 242103Z

SITRATERCO PRESIDENT OSCAR GALE IN WHICH HE IS QUOTED AS SAYING THAT HE BELIEVES THAT BOTH FRUIT COMPANIES PLAN TO LEAVE HONDURAS AND THAT THEY HAVE BEHAVED IN A MANNER HOSTILE TO THE COUNTRY. HE ASKS THAT THEY BE GIVEN NO CONSIDERATION BY THE GOH.

5. REGARDING THE FESISTRANH DISPUTE WITH THE MUNICIPLE GOVERNMENT OF SAN PEDRO SULA, CACERES INFORMED LABOFF THAT

THE PROBLEM IS BECOMING MORE SERIOUS DAILY. IF RESOLUTION
CANNOT BE FOUND FESITRANH IS CONSIDERING CALLING FOR A
PROGRESSIVE WORK STOPPAGE BY ITS SAN PEDRO SULA AFFILIATES.
THIS WOULD START WITH A ONE HOUR WORK STOPPAGE THE FIRST
DAY AND BE EXTENDED BY ONE HOUR EVERY DAY UNTIL THE QUESTION
IS RESOLVED OR UNTIL A GENERAL STRIKE EXISTS.

6. COMMENT: THE FESITRANH-SAN PEDRO SULA DISPUTE IS UNLIKELY
TO COME TO A CRUNCH FOR SEVERAL MORE WEEKS. THE FESITRANH
CONGRESS IS SCHEDULED FOR APRIL 18-20. THERE ARE RUMORS
THAT CELEO GONZALEZ WILL HAVE COMPETITION FOR THE PRESIDENCY
BUT IF THIS POLITICAL CRISIS CONTINUES, HIS POSITION WILL BE
VIRTUALLY UNASSAILABLE.

SANCHEZ

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